



TO: North County Library Authority (NCLA) Commission

FROM: Steven Mattas, Commission Attorney

DATE: October 18, 2021

SUBJECT: Consideration of Treasurer Role and Appointment of NCLA Treasurer

### **Summary**

At the August 30, 2021 Commission meeting the Commission Attorney was directed to return to the next meeting with a review of the Treasurer role and options for Commission action to fill the role of Treasurer.

### **Discussion**

The role of Treasurer for NCLA has previously been performed by the Administrative Services Director at the City of Los Altos. Following City staff transitions and the transfer of NCLA funds to Santa Clara County, the Commission requested a review of options for filling the Treasurer role.

#### **1. Appointment of the Treasurer**

Under the current wording of the North County Library Authority Joint Powers Agreement (JPA), the JPA anticipates that the Commission-appointed Treasurer will either be a commissioner or an employee of the NCLA. Specifically, Section 7 of the JPA states that the Commission “shall” appoint either one of its “members or employees” as Treasurer of the Agency. The JPA also provides that the person appointed as Treasurer can also serve as the Auditor-Controller of the Commission, but cannot be the same person as the Administrative Officer (both the Auditor-Controller and Administrative Officer are also appointed by the Commission). The Treasurer must be appointed through a majority vote of the entire Commission.

Although it appears that the language of the JPA anticipates that an “employee” appointed to the position of Treasurer is an employee of the NCLA, we understand that the member agencies to the JPA have historically interpreted the term “employee” to mean an employee of the member agencies. For example, as noted above, an employee of the City of Los Altos was previously appointed as Treasurer. This historical application of the term “employee” to mean an employee of a member agency is supported by the fact that the JPA states that the City of Los Altos will “provide staff and basic services . . . to the Agency” (Section 12), and by the fact

that the NCLA does not have any employees. Ultimately, it appears that either a commissioner, an employee of the JPA, or an employee of a member agency may be appointed Treasurer based on the JPA language and the historical practice of the member agencies.

While this is arguably not required, for purpose of clarity, if the Commission desires to appoint an employee of one the member agencies as Treasurer the Commission may wish to amend the JPA to expressly define “employee” as an employee of the NCLA, or an employee of a member agency.

## 2. Role of the Treasurer

Under state law, as set forth in Government Code Section 6505.5, applicable to JPAs, the role of the Treasure typically includes the following:

- (a) Receive and receipt for all money of the agency or entity and place it in the treasury of the treasurer so designated to the credit of the agency or entity.
- (b) Be responsible, upon his or her official bond, for the safekeeping and disbursement of all agency or entity money so held by him or her.
- (c) Pay, when due, out of money of the agency or entity held by him or her, all sums payable on outstanding bonds and coupons of the agency or entity.
- (d) Pay any other sums due from the agency or entity from agency or entity money, or any portion thereof, only upon warrants of the public officer performing the functions of auditor or controller who has been designated by the agreement.
- (e) Verify and report in writing on the first day of July, October, January, and April of each year to the agency or entity and to the contracting parties to the agreement the amount of money he or she holds for the agency or entity, the amount of receipts since his or her last report, and the amount paid out since his or her last report.

The member agencies of the JPA previously agreed that the County Treasurer currently serves as the holder of NCLA funds. It is our understanding that the County Treasurer will continue in that role, and will continue to receive funds from the special tax, and disperse payments out of the account pursuant to authorization from the Commission. The appointed NCLA Treasurer would therefore monitor the County’s work as discussed above in sections (a), (c) and (d) and would also undertake the work set forth in section (b) and (e) above.

### **Recommendation**

It is recommended the Commission review the information presented in this report and then consider and, if desired, appoint by motion a Treasurer for NCLA.

Attachments:

None

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